

Position Paper

2025 December

Input for AMLA Roundtable on the EU AML Package Implementation and Supervisory Convergence

Summary

The new Anti-Money Laundering Authority (AMLA) is a pivotal initiative to unify and strengthen the EU's AML/CFT supervisory framework. Early and structured engagement with industry is critical to identify implementation challenges and foster a harmonised supervisory culture. From Bitkom's perspective, coordinated EU and national action, risk-based proportionality and technological preparedness – including the use of interoperable, future-proof digital solutions – will be key to addressing evolving ML/FT risks effectively. Bitkom members therefore very much welcome AMLA's early invitation to engage in a direct exchange with market participants, including through this roundtable.

Discussion questions

The following responses reflect input from various Bitkom members, including, but not limited to, obliged entities (e.g. financial institutions such as banks and regulated multi-asset broker platforms), technology and service providers (e.g. identification, KYC and trust service providers), and merchants.

1. Where do you see the major challenges in the implementation of the AML package?

From Bitkom's perspective, major challenges in the implementation of the AML package arise first from ensuring genuine harmonisation across the European Union. National transpositions and additional national requirements risk creating fragmentation, unnecessary complexity, dilution of common standards and

opportunities for regulatory arbitrage. A second key challenge is the practical set-up of effective cross-border data sharing and interoperable IT systems, underpinned by technology-neutral standards that recognise proven digital solutions as equivalent to traditional methods. While AMLA itself appears ready to use advanced technology to process data, the private sector would equally need sufficient flexibility to deploy innovative tools. Finally, the breadth of new requirements will require significant adaptation efforts and investments in new tools on the side of obliged entities.

- **Working on a moving target:** Bitkom members are taking the implementation of the EU AML Package very seriously, and implementation projects are underway to meet the ambitious timeline of 10 July 2027, but they are currently working on a moving target. The AMLR as the single rulebook, sets the standards. However, to implement these standards, obliged entities require further guidance to »get it right.« Implementing the EU AML Package will be a significant implementation effort for the industry. Given the impact and the challenging timeline, clarity on how to implement the EU AML Package is key. At present, this clarity is missing, as guidance is potentially subject to change or has not yet been released. To meet the timeline, institutions need to move ahead, especially regarding timelines for IT system changes, but are currently running the risk of taking the wrong turn.
- **Risk-based guidance as a key principle:** Bitkom members welcome further guidance but consider it essential that such guidance remains proportionate and risk based. Earlier guidance appeared to move away from a risk-based approach, even though the AMLR provides for this option. We therefore welcome that the risk-based approach has been re-confirmed as a guiding principle and hope to see this consistently reflected both in future guidance and in the supervisory approach, including the way standards are interpreted and enforced in practice, in order to focus on achieving effective outcomes.
- **Secondary legislation and Q&As not always facilitating implementation:** Bitkom members expect a great deal of Level 2 and Level 3 material, including a high number of Q&As. This does not always help with implementation and can create additional difficulties for obliged entities. In some cases, proposed regulatory technical standards and guidelines do not sufficiently reflect market practice and the operational reality of obliged entities, also because private stakeholders' views are not always adequately taken into account.
- **Clarification needs regarding the practical application of beneficial ownership rules:** A further important implementation aspect concerns the practical application of the new beneficial ownership rules under the AMLR. Unclear definitions and the absence of technical specifications create significant uncertainty, particularly regarding how »ownership interest« and complex ownership and control structures are to be assessed, quantified and reported in day-to-day practice.

Uncertainty arises, for example, in relation to the scope of »other ownership interests« under Articles 51 and 52 AMLR. Obligated entities need clarity on how broadly this concept should be understood, as it may encompass not only formal shares and voting rights but also rights such as profit participation rights, usufruct rights, rights to liquidation proceeds, carried interest, partnership interests and comparable contractual or corporate arrangements. Without clear criteria, it

remains difficult to determine how such rights should be evaluated in relation to the 25 percent threshold and how they should be reflected in reporting obligations under Article 62 AMLR.

Similar challenges occur with foundations and foundation-like arrangements embedded in multi-layer ownership structures. In practice, it is often unclear how far the BO analysis must reach, especially where beneficiaries become economically entitled to 25 percent or more only at a very remote structural level, for example in the fourth or fifth tier. Questions also arise regarding how such entitlements should be traced, evidenced and documented in a consistent and proportionate manner.

Further uncertainties emerge in connection with the reporting of coexistence situations under Article 54 AMLR. National registers, including the German Transparency Register, currently do not provide data models that allow for the representation of situations where ownership and control coexist in parallel. Without harmonised guidance or technical specifications, obliged entities lack clarity on how such situations should be classified and reported, both in national systems and in the future European Transparency System. In addition, clarification is needed as to whether Article 54 applies even where no additional legal entity is interposed but ownership interests and control rights are combined at the same structural level.

- **Removing national deviations and promoting innovative digital identification:** To ensure the success of the EU AML Package, Bitkom members consider it important to remove national deviations that create unnecessary complexity. For example, Germany's requirement for a »reference transaction« in § 12 GwG when using qualified electronic signatures (QES) for account opening is seen as redundant, as QES already enables regulatory-compliant identification. Eliminating such requirements would strengthen harmonisation and improve user experience across the EU. Furthermore, we encourage accelerating the adoption of innovative identification methods. For example, automated video identification and NFC-based ePass authentication are already used in highly regulated environments and are regarded as secure and scalable, while regulatory frameworks still tend to favour manual checks, which can be less secure and more error-prone. AMLA should therefore promote technology-neutral standards and recognise proven digital solutions as equivalent to traditional methods.

At the same time, digital identity wallets and trust service providers focus on identity and attribute data and do not provide ownership and control information or full beneficial ownership structures. KYC processes will therefore continue to rely on dedicated beneficial ownership and UBO analysis components, risk assessment engines and monitoring capabilities. In practice, it is important that identity verification via eIDAS and beneficial ownership analysis within KYC processes are designed to complement each other in a coherent way. Clear supervisory communication on the role of eIDAS-based identification in the context of the AMLR would support this alignment.

- **Data sharing arrangements and data sovereignty in joint AML initiatives:** Bitkom members see challenges in the practical implementation of the new possibilities for data sharing between financial institutions, for example under Article 75 AMLR and Article 83 PSR, which allow data sharing in joint ventures to fight money laundering

and terrorist financing. In principle, such joint ventures become more effective the more participants are involved, but there is currently no single, coherent initiative, only several separate projects. It is also not yet clear how AMLA and financial intelligence units are expected to participate in these joint ventures, beyond receiving the results for their investigations. Finally, there is still no common view on which technologies should be used and where the relevant data may be stored.

- **Increased administrative requirements affecting customers:** The EU AML Package results in more administrative requirements that directly impact customers, including more data points and likely more customers with a high-risk classification, for instance due to the extension of the definition of politically exposed persons. Financial institutions will need to educate their customer base, and obtaining their understanding may be a challenge, particularly in the case of customers who are also familiar with other regimes.

2. Where do you see the major challenges in reaching supervisory convergence?

From Bitkom's perspective, supervisory convergence requires clear, unified rules, rapid alignment of national laws with EU standards and a genuinely harmonised application of the EU AML framework across all member states. The key to achieving such convergence will be that AMLA establishes itself as the central EU AML/CFT supervisor and acts as the main standard-setting authority across the EU.

- **AMLA as central supervisor and standard setter:** Supervisory convergence will require greater coherence in supervisory culture within the EU, while allowing for appropriate nuances in the approach to different categories of obliged entities. It will also be important to avoid the emergence of two separate »worlds« between entities that are directly supervised by AMLA and those that remain under national supervision.
- **Aligning supervisory practices, capacities and tools:** Convergence will depend on aligning risk-based methodologies and enforcement practices, addressing differences in supervisory capacity and institutional set-ups, and making effective use of joint inspections, shared supervisory tools and databases, including a more harmonised SAR practice across the EU. The future of financial crime prevention also relies on a globally aligned approach that promotes a common understanding and is informed by emerging innovations to outpace criminal networks. Criminals exploit regulatory loopholes between different jurisdictions for their activities when moving funds across borders. Global alignment and cooperation are also required to address the current lack of interoperable systems between countries, public bodies and financial institutions, which limits rapid intelligence exchange.
- **Dialogue with industry and technology-open approaches:** Bitkom members consider it important that AMLA and national authorities foster an ongoing, structured dialogue with industry and adopt technology-open approaches that enable interoperability. Bitkom members therefore very much welcome AMLA's early invitation to engage in a direct exchange with market participants, including through this roundtable.

3. How are you preparing yourself for AMLA and for the changes associated with the AML package?

Bitkom members' preparations for AMLA and the AML package focus on internal coordination, early engagement with authorities and structured peer exchange.

- **Cross-functional internal preparation:** Bitkom members are bringing all relevant stakeholders within their institutions together, including AFC functions, IT, data protection officers and business units. While the underlying principles have not fundamentally changed, the number of new and adjusted requirements calls for updates to internal governance and compliance frameworks, procedures, IT systems, staff training and client communication.
- **Early dialogue with EU institutions, AMLA and national supervisors:** Bitkom members are actively seeking dialogue with AMLA, the European Commission and national competent authorities. Given the scale of the task and the ambitious deadline of July 2027, many aspects that already require implementation are still not fully clear. Industry stands ready to contribute practical experience to the drafting and implementation process.
- **Peer exchange on interpretation challenges:** Bitkom members are also intensifying exchanges with peers to discuss current interpretation challenges and to arrive at as consistent an understanding of the new framework as possible.

4. How do you intend to address the non-financial sector, having in mind the novelties contained in the package for both the supervisory authorities (they will have to be equipped with regulatory, supervisory and enforcement powers) and the obliged entities?

Regarding the additions of non-financial obliged entities in the AMLR, Bitkom members are concerned about the interplay between the AMLR and the Consumer Credit Directive (Directive (EU) 2023/2225, »CCD«). Today, merchants selling goods to consumers while offering payment in instalments (when subject to an additional fee) are considered creditors under the previous Consumer Credit Directive (Directive 2008/48/EC) in Germany. The CCD significantly widens this scope to encompass any type of so called buy now, pay later model, including deferred payment, i.a. if a third party »purchases credit«.

As a result, as of November 2026 (when CCD requirements enter into force), all merchants offering payment in instalments, as well as the majority of merchants offering deferred payments, including thousands of merchants selling their goods via marketplaces that employ a third-party payment service provider, will be considered »creditors« under the CCD.

These merchants do not qualify as credit or payment institutions and are neither subject to regulatory oversight under the CRR (Regulation (EU) No 575/2013), PSD2

(Directive (EU) 2015/2366), nor any respective local law. BaFin expressly confirms that deferred payments, including payment in instalments, are not subject to oversight, as such »sales financing« is not comparable to actual credits and loans providing consumers with funds.

Art. 3 (2) AMLR governs that »Financial Institutions« are subject to the AMLR's rules. According to Art. 2 Nr. 1 (6) g) AMLR, Financial Institutions i.a. include »creditors« as defined in the previous Consumer Credit Directive (which will be exchanged to reference the current CCD on 20 November 2026, see Art. 47 CCD). Following the AMLR's language, this would result in all merchants trading goods while offering any form of payment in instalments or deferred payment to be fully subjected to the AMLR's set of rules, including, but not limited to, strict KYC procedures towards their customers.

However, this would contradict the AMLR's intentions as clearly expressed in its recitals. Recital 18 AMLR states that »[...] persons trading in goods no longer need to be subject to AML/CFT obligations, with the exception of persons trading in precious metals, precious stones, other high value goods and cultural goods«. This is because supervising merchants in this manner was considered ineffective from an AML perspective. If a merchant's sale of goods is generally considered irrelevant from an AML perspective, then any details of payment agreed between the merchant and a consumer could surely not reverse that finding. Simply receiving funds after shipment would not raise the risk of money laundering. We were also unable to find any language in the AMLR that would support the idea of subjecting merchants to its rules if they provide sales financing.

We thus believe the inclusion of merchants offering deferred payments and other form of sales financing under the CCD to be a legislative oversight. Applying the AMLR regime to sales financing in eCommerce would have a devastating effect on a vast number of merchants and for eCommerce as whole. Merchants will generally not have the resources, knowledge and systems to meet the requirements of the AML- Regulation and KYC of the customer is difficult to implement in online trade due to the associated media discontinuity and time required.

5. In your opinion, where do most of the risks in connection with ML and FT currently come from? And where will they come from in the near future?

From Bitkom's perspective, most of the risks in connection with ML and FT currently and in the near future do not stem from specific technologies as such, but from ill-intentioned individuals who abuse any available technology. These actors can be expected to continue to exploit solutions that are meant for public good. Against this background, key sources of risk include:

- **Worldwide instability and »ML as a service«:** Increasing geopolitical instability and digitalisation, including new technologies that support »ML as a service« (underground banking) and allow terrorist financing to evolve, for example through the misuse of transaction means that are not well supervised.

- **Global misalignment and cross-border transaction chains:** Criminals increasingly exploit regulatory loopholes between different jurisdictions and complex cross-border transaction chains when moving funds. Rapid technological change often evolves faster than the build-up of regulatory and supervisory capacities and the deployment of modern analytical tools, which can make tracing such flows harder. This reinforces the need for globally aligned approaches and an active, technology-enabled use of new tools by supervisors and financial institutions to detect ML/FT risks.
- **Misuse of AI and other advanced digital technologies:** New technologies, in particular advanced AI used for cybercrime (»dark AI«), enable more scalable and sophisticated forms of fraud, social engineering and other predicate offences, which can then be exploited for ML/FT purposes.
- **Structural weaknesses in supervision and identity verification:** Current risks often stem from fragmented supervisory practices and reliance on manual processes, which have high error rates. Offline verification channels remain vulnerable to fraud. Looking ahead, risks will increase if secure, harmonized identity infrastructures are not implemented. AMLA should prioritize strong trust services, AI-driven fraud detection, eIDAS-compliant methods and interoperable frameworks such as the EUDI Wallet to mitigate these risks effectively.

Bitkom represents more than 2,200 companies from the digital economy. They generate an annual turnover of 200 billion euros in Germany and employ more than 2 million people. Among the members are 1,000 small and medium-sized businesses, over 500 start-ups and almost all global players. These companies provide services in software, IT, telecommunications or the internet, produce hardware and consumer electronics, work in digital media, create content, operate platforms or are in other ways affiliated with the digital economy. 82 percent of the members' headquarters are in Germany, 8 percent in the rest of the EU and 7 percent in the US. 3 percent are from other regions of the world. Bitkom promotes and drives the digital transformation of the German economy and advocates for citizens to participate in and benefit from digitalisation. At the heart of Bitkom's concerns are ensuring a strong European digital policy and a fully integrated digital single market, as well as making Germany a key driver of digital change in Europe and the world.

Published by

Bitkom e.V.

Albrechtstr. 10 | 10117 Berlin

Contact person

Alina Stephanie Bone-Winkel | Head of Digital Banking & Financial Services

T +49 30 27576-273 | a.bone-winkel@bitkom.org

Responsible Bitkom committee

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